COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Commissioners

Sean Rogan
Executive Director

ADOPTED
Community Development Commission

#1-D JUNE 14, 2011

SACHI A. HAMAI
EXECUTIVE OFFICER

June 14, 2011

The Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE DEVELOPMENT AGREEMENT WITH PLAZA COMMUNITY CENTER INC., TO DEVELOP PRINCETON INDIANA CHILDCARE CENTER IN UNINCORPORATED EAST LOS ANGELES
(DISTRICT 1) (3 VOTE)

SUBJECT

This letter recommends approval of a Development Agreement with Plaza Community Center, Inc., for the Princeton Indiana Childcare Center project located at 3700 Princeton Street in unincorporated East Los Angeles.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of this Development Agreement to develop the Princeton Indiana Childcare Center is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the project includes activities that will not have the potential for causing a significant effect on the environment.

2. Approve and authorize the Executive Director or his designee to execute a Development Agreement between the Community Development Commission and Plaza Community Center, Inc. (Developer), to provide the Developer with up to $649,958 of Los Angeles County Capital Funds to pay predevelopment and other project-related costs for Princeton Indiana Childcare Center (Project), located at 3700 Princeton Street in unincorporated East Los Angeles.

3. Authorize the Executive Director to accept and incorporate up to $649,958 into the Commission's Fiscal Year 2011-2012 approved budget, for the purposes described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to find that the project is exempt from CEQA and to authorize the Executive Director to execute the Development Agreement between the Commission and the Developer for the development and construction rehabilitation of an existing building into a childcare center.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. On August 4, 2009 and May 10, 2011 your Board approved Community Development Block Grant funding in the amounts of $387,000 and $1,084,115, respectively, to fund development costs for this project. On April 19, 2011, your Board approved the acceptance of $649,958 from the Project and Facility Development Fund into the Commission's Fiscal Year 2010-2011 approved budget, to pay for development cost including consultants, planning, entitlement fees, construction and related costs for this project. The proposed Development Agreement will be funded with $2,121,073 of these funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Project consists of the development and construction rehabilitation of an existing building into an approximately 3,150 square foot childcare center at 3700 Princeton Ave., in unincorporated East Los Angeles. The childcare center will serve a minimum of 40-50 children.

The project will consist of interior modification of the building to provide two classrooms, a reception area and administrative office, associated mechanical, electrical, and plumbing work per building code, modification of a portion of the existing roof to provide additional natural light into the classrooms, and addition of a new play area and a small parking lot. All modifications will be ADA compliant.

Under the proposed Development Agreement, the Developer shall be responsible for developing and constructing the project. This includes retaining an architect to design the project, procuring for a contractor to build the project and securing all financing, entitlements and approvals required. The Developer will also ensure that all environmental mitigation measures are incorporated into the design and construction of the childcare center. Progress payments will be made to the Developer as phases of the project are completed and approved by the Commission. Developer shall be responsible for operating the childcare center.

The Development Agreement is presented in substantially final form. It will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(iii), this action is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions.

The proposed project is categorically exempt from CEQA. The project, to perform interior modification of a 3,190 square foot facility, modification of associated electrical, plumbing and

mechanical work per building code, modification of a portion of the existing roof, addition of a new play area and a small parking area, and modifications to comply with ADA requirements, is within the class of projects that has been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15303 and 15311 (b) of the CEQA Guidelines and Class 3 (d) and Class 11 (f) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, the project is not a sensitive environment, and there are no cumulative impacts, unusual circumstances, and other limiting factors that would make the exemption inapplicable based on the project records.

The environmental review record for this project is available for public viewing during regular business hours at the Commission's main office, located at 2 Coral Circle in Monterey Park.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the Development Agreement will provide for the development and construction rehabilitation of an existing building into a childcare center that will serve the local community.

Respectfully submitted,

SEAN ROGAN
Executive Director

SR:by

Enclosures

DEVELOPMENT AGREEMENT

PLAZA COMMUNITY CENTER, Inc.

PRINCETON INDIANA CHILDCARE CENTER

by and between the

COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES

a public body corporate and politic

and

PLAZA COMMUNITY CENTER, INC. dba PLAZA COMMUNITY SERVICES

_____, 2011

DEVELOPMENT AGREEMENT

PLAZA COMMUNITY CENTER, Inc.

PRINCETON INDIANA CHILDCARE CENTER

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DEVELOPMENT AGREEMENT

PLAZA COMMUNITY CENTER, Inc.
PRINCETON INDIANA CHILDCARE CENTER

This Summary of the Development Agreement ("Summary") is hereby incorporated by reference into the attached Development Agreement ("Agreement"). Each reference in the Agreement to any of the Contract Terms set forth below shall have the meaning described in this Summary. In the event of a conflict between the Contract Terms of this Summary and the Agreement, the Contract Terms herein shall prevail.

CONTRACT TERMS	**DESCRIPTION**
1. Effective Date:	Upon signature by Community Development Commission ("CDC") of the County of Los Angeles.
2. Term:	Commencing on the Effective Date and continuing in perpetuity after the date of licensing by Community Care Licensing Division ("CCLD") of the State of California and commencement of operation of a childcare center.
3. CDC:	Community Development Commission ("CDC") of the County of Los Angeles, a public body, corporate and politic
4. Address of CDC:	4800 E. Cesar E. Chavez Avenue Los Angeles, CA 90022
5. Developer:	Plaza Community Center, Inc. dba Plaza Community Services
6. Address of Developer:	4018 City Terrace Drive, Los Angeles, CA 90063

7. Project

7.1 Name:	Princeton Indiana Childcare Center
7.2 Site/Property:	3700 Princeton Street, Los Angeles CA 90023

DEVELOPMENT AGREEMENT

PLAZA COMMUNITY CENTER, Inc.
PRINCETON INDIANA CHILDCARE CENTER

This Development Agreement (the "Agreement") for the Plaza Community Center, Inc. Princeton Indiana Childcare Center ("Childcare Center") is entered into this _____ day of _____ 2011 ("Effective Date") between CDC and Developer. CDC and Developer are sometimes referred to in this Agreement, each individually, as a "Party," or collectively, as the "Parties."

RECITALS

WHEREAS, Developer proposes to develop a Childcare Center. This development will provide a minimum of forty (40) to fifty (50) licensed preschool spaces ("Project"). This Project will serve the unincorporated areas of First District, specifically the East Los Angeles Community. This Project is described in Scope of Work, Exhibit A, and is estimated to cost the amount set forth in the Project Budget, Exhibit B to this Agreement. The Project will be developed on a site commonly known at 3700 Princeton Street, Los Angeles CA 90023 ("Site") legally described in Exhibit C to this Agreement.

WHEREAS, on or about December 4, 2009, CDC and Developer entered into a Construction Management Services Agreement wherein CDC agreed to provide certain services relative to the construction of the project.

WHEREAS, the CDC recognizes that the development of the Project is in the vital and best interests of the CDC, the County of Los Angeles ("County"), and the health, safety, morals, and welfare of the County's residents, and is in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements.

WHEREAS, CDC desires to enter into this Agreement to provide monetary assistance to Developer for the development of the Project, and the Developer desires to contract with CDC to receive monetary assistance for the development of the Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby agreed, and the mutual promises and covenants of the Parties set forth in this Agreement, the Parties agree as follows:

1. COVENANTS OF CDC

CDC will provide to Developer County of Los Angeles Capital Project Funds up to the amounts specified in the Project Budget, Exhibit B, of this Agreement, to

develop the Project. County of Los Angeles Capital Project Funds includes funding for the development and construction of this Project. Funding is subject to approval by the Board of Supervisors of Los Angeles County.

Additional sources of funds for development and construction of the Project are being provided under separate agreements between the CDC and Developer ("CDBG Funds"), the terms and conditions of which are not the subject of this Agreement.

This Project is more specifically described in Scope of Work, attached hereto as Exhibit A, and is estimated to cost the amount set forth in the Project Budget, attached hereto as Exhibit B to this Agreement. The Project will be developed on the Site, which is legally described in the attached Exhibit C of this Agreement.

2. COVENANTS OF DEVELOPER

2.1.1 Developer covenants as follows: Developer acknowledges that in the event the operation of a Childcare Center becomes infeasible as determined by Developer in its reasonable discretion, the Developer may use the Site for another public purpose as approved by CDC and in consultation with County.

2.1.2 Developer acknowledges that in the event the development of the Project is not completed, or becomes infeasible at any time before, during, or after completion of construction, or if Developer's use of the site for another public purpose is not approved by CDC and County, Developer shall promptly return all of the funds to CDC provided by CDC pursuant to this Agreement.

2.1.2 Compliance with Laws. Developer shall comply with all Applicable Governmental Restrictions. As used herein, "**Applicable Governmental Restrictions**" shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, directives, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorizations, now in force or which may hereafter, be in force, of any governmental entity, agency or political subdivision as they pertain to the performance of this Agreement or development or operation of the Project, including specifically but without limitation, all code and other requirements of the jurisdiction in which the Project is located; the California Environmental Quality Act (CEQA); and any federal, state, and local laws. Developer shall indemnify, defend, and hold harmless the CDC, the Housing Authority for the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County") and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as "Public Agencies and their Agents") from and against any and all liability, demands, damages, claims, causes of action, costs, fees (including reasonable attorney's fees and costs and expert witness' fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Claims"), arising out of Developer's failure to comply with Applicable Governmental Restrictions including, without limitation, the nonpayment of prevailing wages required to be paid in connection

with the Project. Developer is solely responsible for determining the applicable laws, and shall not rely on statements made by CDC. Developer acknowledges that CDC has not represented that the Project is not a "public work" as defined in Labor Code Section 1720 et seq.; and Developer shall notify CDC and Developer's contractors and subcontractors immediately upon learning of any investigation or determination by the California Department of Industrial Relations as to whether or not the Project is a "public work."

2.1.3 Disclosures. Developer shall make available for inspection and audit to CDC's representatives, upon seventy-two (72) hours' written request, from time to time during the period beginning with the execution of this Agreement until five (5) years after the date of licensing by Community Care Licensing Division ("Reporting Period"), at Developer's offices, or at such other location within the County as Developer may reasonably determine, all of the books and records relating to the operation of the Project and this Agreement. All such books and records shall be maintained by Developer for the Reporting Period; provided that in the event of any litigation, claim or audit is started before the expiration of this period, said books and records shall be retained until all litigation, claims, or audit findings involving said books and records shall have been resolved.

2.1.4 Other Reports. Upon seventy-two (72) hours' written notice during the Reporting Period, Developer shall prepare and submit to CDC, any financial, program progress, monitoring, evaluation or other reports (including, but not limited to, documents related to construction and Project financing, and project operations) reasonably required by CDC or its representatives as they relate to the Project or this Agreement; provided, however, if such requested reports are not capable of being prepared and submitted to CDC within such seventy-two (72) hour period, then within a reasonable time thereafter. Developer shall ensure that its employees, agents, officers, and board members furnish such information, which in the reasonable judgment of CDC representatives or employees, may be relevant to a question of compliance with this Agreement. Developer shall retain all existing records and data relating to this Project until expiration of this period. In the event any litigation, claims or audit is started during this period, said books and records shall be retained until all litigation, claims or audit findings involving said books and records have been resolved.

2.1.5 Indemnification. Except as otherwise set forth below in this Section 2.1.6, Developer agrees to indemnify, defend, and hold harmless the Public Agencies and their Agents from and against any and all Claims that arise out of, pertain to, or relate to the Agreement, Site, Project or the work or services that are the subject of this Agreement. Developer shall not be required to indemnify Public Agencies from any Claims that arise from Public Agencies' sole negligence or willful misconduct.

In the event that Developer provides construction services in relation to the construction of the Project, with respect to those construction services, Developer agrees to indemnify, defend, and hold harmless Public Agencies and their Agents from and

against any and all Claims that arise out of, pertain to, or relate to the work or services that are the subject of this Agreement. Developer shall not be required to indemnify, defend, and hold harmless Public Agencies from any Claims that arise from the active negligence, sole negligence or willful misconduct of Public Agencies, Public Agencies' agents, servants, or independent contractors who are directly responsible to Public Agencies.

In the event that Developer contracts with another entity (hereinafter "Construction Entity") for construction services to be provided in relation to the construction of the Project (hereinafter "Developer-Construction Entity Contract"), Developer agrees that language at least equivalent to the following shall be incorporated in its contract with Construction Entity in favor of Public Agencies: Construction Entity agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all Claims that arise out of, pertain to, or relate to the Project, Site, work or services that are the subject of this Agreement, or the construction services of Construction Entity, its employees, representatives, consultants, subcontractors, agents, or any other entity for which Construction Entity is responsible. Construction Entity shall not be required to indemnify and hold harmless Public Agencies from any Claims that arise from the active negligence, sole negligence or willful misconduct of Public Agencies, Public Agencies' agents, servants, or independent contractors who are directly responsible to Public Agencies. This indemnification clause shall remain in full force and effect following the expiration of the term of the Developer-Construction Entity Contract.

In the event that Developer provides design professional services in relation to the Project, Developer agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Developer.

In the event that Developer contracts with another entity (hereinafter "Design Professional Entity") for design professional services to be provided in relation to the Project (hereinafter "Developer-Design Professional Contract"), Developer agrees that language at least equivalent to the following shall be incorporated in the Developer-Design Professional Contract in favor of Public Agencies: Design Professional Entity agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Design Professional Entity, its employees, representatives, consultants, subcontractors, agents, or any other entity for which Developer is responsible. This indemnification clause shall remain in full force and effect following the expiration of the term of the Developer-Design Professional Contract.

In the event that Developer enters into a Operations Contract (as defined in section 3.4 of this Agreement) with Operations Entity (as defined in section 3.4 of this Agreement), Developer agrees that language at least equivalent to the following shall be incorporated in the Operations Contract in favor of Public Agencies: Operations Entity agrees to indemnify, defend, and hold harmless the Public Agencies and their Agents

from and against any and all Claims that arise out of, pertain to, or relate to the acts, errors, or omissions of Operations Entity, except to the extent that such Claims are caused by the Public Agencies' sole negligence or willful misconduct.

In the event that Developer provides any services pertaining or relating to minors in relation to the Project, Developer agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all Claims that arise out of, pertain to, or relate to Developer's acts or omissions, whether civil or criminal, intentional or unintentional, including, without limitation, allegations or acts of physical abuse, mental abuse, psychological abuse, sexual abuse, molestation, maltreatment, or mistreatment, with respect to, relating to, pertaining to, or arising out of the Project contemplated herein, Site, the uses of the Site, or services or work to be provided as contemplated under this Agreement, except to the extent that such Claims are caused by the sole negligence or willful misconduct of Public Agencies.

In the event that Developer enters into an agreement with another entity (hereinafter "Youth Services Entity") for services pertaining or relating to minors in relation to the Project (hereinafter "Developer-Youth Services Entity Contract"), Developer shall incorporate in its agreement with Youth Services Entity language at least equivalent to the following: Youth Services Entity agrees to indemnify, defend, and hold harmless the Public Agencies from and against any and all Claims relating to the Youth Services Entity's acts or omissions, whether civil or criminal, intentional or unintentional, including, without limitation, allegations or acts of physical abuse, mental abuse, psychological abuse, sexual abuse, molestation, maltreatment, or mistreatment, with respect to, relating to, pertaining to, or arising out of the Project contemplated herein, Site, the uses of the Site, or services to be provided as contemplated under this Agreement, except to the extent that such Claims are caused by the sole negligence or willful misconduct of Public Agencies.

All of the above mentioned duties to indemnify shall remain in full force and effect and survive the cancellation, termination and/or expiration of this Agreement and any other agreements that relate to or pertain to the indemnification provisions. Developer agrees to require any entities with which it contracts to agree to and abide by the above mentioned duties to indemnify, with language at least equivalent as stated herein, in favor of the Public Agencies, as applicable to each of them.

Developer further acknowledges that Developer and/or Youth Services Entity may be working with and may come into close contact with minors. Developer represents and warrants that it shall ensure that it enters into agreements with Youth Services Entities that have conducted extensive background checks on all of Youth Services Entity's consultants, employees, and volunteers. Developer represents and warrants that it will not enter into any agreement with Youth Services Entity if Youth Services Entity or its consultants, employees, or volunteers have any criminal or civil backgrounds (including, but not limited to, any felony or misdemeanor convictions) that should prevent them from working with minors. Developer acknowledges and agrees that in contemplation of

all of the services to be provided in relation to this Project and the intended purposes of the Project, the situations may arise in which Youth Services Entity or its consultants, employees, or volunteers find themselves alone in a room with a minor to discuss the services. Developer represents and warrants that it will require that Youth Services Entity and its consultants, employees, and volunteers do not provide any such services in closed door meetings and all doors to the rooms in which the services are rendered shall remain open at all times. Developer represents and warrants that it shall ensure that Youth Services Entity has a written policy and procedure in place regarding working with minors and all of Youth Services Entity's consultants, employees, and volunteers have received formal training on such. Developer acknowledges and agrees that a material inducement to CDC in entering into this Agreement is that Developer and/or Youth Services Entity has such policies and procedures in place, has received and provided to its staff and consultants formal training on such, takes these issues seriously, and acts immediately and appropriately to address any issues or concerns regarding such. At anytime upon CDC's forty eight (48) hour notice, Developer shall provide copies of all of Youth Services Entity's policies, procedures, non confidential background check materials, and other relevant information upon which Developer's above representations are based. If Developer fails to provide information, documents, and materials to support its representations herein to the satisfaction of the CDC, then CDC, in its sole discretion, may elect to terminate this Agreement and may assert any and all remedies and rights available to CDC under this Agreement.

2.1.6 Audit by State and Federal Agencies. In the event this Agreement is subject to audit, monitoring or other inspections by appropriate state and federal agencies, Developer shall comply with such inspections and pay on behalf of itself and CDC the full amount of the cost to the inspecting agency which result from such inspections, if any, unless such inspection and any resulting liability arises solely from the gross negligence or willful misconduct of CDC or its Agents.

2.1.7 Program Evaluation and Review. Developer shall allow CDC authorized personnel to observe, and monitor its Project facilities and Program operations as they relate to the Project or this Agreement, including interviewing of Developer's staff, tenants, Project operator, program participants, as reasonably requested by CDC during the Term; provided, however that CDC will provide Developer with forty-eight (48) hours prior written notice of exercise of its rights pursuant hereto. Observation by CDC of the Project or the Site shall not be construed as an acknowledgment, acceptance or representation by CDC or the County that there has been compliance with any Contract Terms or provisions of this Agreement, nor that the services provided by Developer and its employees, agents, and consultants are in compliance with any Applicable Governmental Restrictions or other applicable standards.

2.1.8 Hazardous Materials. Developer covenants that it shall not deposit or permit the deposit of Hazardous Materials (as defined below) in, on or upon the Site or the Project. Developer further covenants to remove or remediate, at its expense (subject to any reimbursement it may be able to obtain from third parties) any Hazardous Materials

located in, on or upon the Site or the Project as of the date hereof or which are deposited in, on or upon the Site or the Project from and after the date hereof, including any asbestos, lead-based paint and any other Hazardous Materials located in the Project to the extent required by and in accordance with the requirements of all applicable governmental restrictions, including, without limitation, all applicable laws. The foregoing shall not be construed or understood to prohibit Developer from allowing Hazardous Materials to be brought upon the Project so long as they are materials which are customary to the normal course of business in the operation of a well-designed childcare facility and so long as such materials are used, stored and disposed of in accordance with all applicable governmental restrictions. Except with respect to any claims caused by CDC or its Agents' sole negligence or willful misconduct, Developer shall indemnify, defend and hold Public Agencies and their Agents harmless from and against any and all Claims arising directly or indirectly out of the presence of Hazardous Materials in, on or upon the Site or the Project, existing as of the date hereof or deposited (or claimed to have been deposited) in, on or upon the Site or the Project from and after the date hereof, including without limitation any claims arising out of any deposits of Hazardous Materials described in hereinabove or out of Developer's failure to remove or remediate all such Hazardous Materials in, on or upon the Site and the Project, as required above. Except with respect to any claims caused by CDC's sole negligence or willful misconduct, Developer hereby releases and forever discharges Public Agencies and their Agents, from any and all present and future Claims arising out of or in any way connected with Developer's use of the Site, operation of the Project, or any condition of environmental contamination in, on, under, upon or around the Site, or the existence of Hazardous Materials in any state in, on, under, upon or around the Site. In connection with such release and waiver, Developer is familiar with, and has been advised by its counsel, and hereby waives any and all rights and benefits that Developer may have under the provisions of Section 1542 of the California Civil Code which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT BY THE DEBTOR."

For the purposes of this Agreement, the term "**Hazardous Materials**" means, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any other substance or material as may now or hereafter be defined as a hazardous or toxic substance by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 9601 et seq.), (ii) the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), (iii) the Clean Air Act (42 U.S.C. Section 7401 et seq.), (iv) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (42 U.S.C. Section 6902 et seq.), (v) the Toxic Substances

Control Act (15 U.S.C. Section 2601-2629), (vi) the Hazardous Materials Transportation Act (49 U.S.C. Section 5101 et seq.), (vii) the Carpenter-Presley-Tanner Hazardous Substance Account Act (CA Health & Safety Code Section 25300 et seq.), (viii) the Hazardous Waste Control Law (CA Health & Safety Code Section 25100, et seq.), (ix) the Porter-Cologne Water Quality Control Act (CA Water Code Section 13000 et seq.), (x) the Safe Drinking Water and Toxic Enforcement Act of 1986, (xi) the Hazardous Materials Release Response Plans and Inventory (CA Health & Safety Code Section 25500 et seq.), (xii) the Air Resources Law (CA Health & Safety Code Section 39000 et seq.), or (xiii) in any of the regulations adopted and publications promulgated pursuant to the foregoing.

In the event that significant archaeological resources are exposed during Project construction, all earth disturbing work within the Site must be temporarily suspended or redirected until a professional archaeologist has evaluated the nature and significance of the find.

2.1.9 Insurance. Without limiting Developer's duties to indemnify and defend the Public Agencies and their Agents as provided in this Agreement, Developer shall procure and maintain, at Developer's sole expense, for the duration of this Agreement or as otherwise set forth herein, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance or must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in Best's Insurance Guide. Developer shall, concurrent with the execution of this Agreement, deliver to the CDC certificates of insurance with original endorsements evidencing the insurance coverage required by this Agreement. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Agreement, but no later than thirty (30) days following execution of this Agreement. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. Developer shall provided the CDC with certificates of insurance and applicable endorsements each year during the term of this Agreement to evidence its annual compliance with the insurance requirements set forth herein. The CDC reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the CDC and may provide for such deductibles as may be acceptable to the CDC. Any self-insurance program and self-insured retention must be separately approved by the CDC. In the event such insurance does provide for deductibles or self-insurance, Developer agrees that it will defend, indemnify and hold harmless the CDC, its elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each policy shall be endorsed to stipulate that the CDC be given at least thirty (30) days' written notice in advance of any cancellation or

any reduction in limit(s) for any policy of insurance required herein. Developer shall give the CDC immediate notice of any insurance claim or loss which may be covered by insurance. Developer represents and warrants that the insurance coverage required herein will also be provided by any entities with which Developer contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier: Plaza Community Center, Inc., 4018 City Terrace Drive, Los Angeles, CA 90063.

The insurance policies set forth herein shall be primary insurance with respect to the CDC. The insurance policies shall contain a waiver of subrogation for the benefit of the CDC. Failure on the part of Developer, and/or any entities with which Developer contracts, to procure or maintain the insurance coverage required herein may, upon the CDC's sole discretion, constitute a material breach of this Agreement pursuant to which the CDC may immediately terminate this Agreement and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the CDC, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the CDC shall be immediately repaid by the Developer to the CDC upon demand including interest thereon at the default rate. In the event of such a breach, the CDC shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Developer's failure to assert or delay in asserting any claim shall not diminish or impair the CDC's rights against the Developer or the insurance carrier.

When Developer, or any entity with which Developer contracts, is naming the CDC as an additional insured on the general liability insurance policy set forth below, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in CDC's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01, in place of CG 20 10 11 85. The following insurance policies shall be maintained by Developer and any entity with which Developer contracts for the duration of this Agreement, unless otherwise set forth herein:

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or it's equivalent) including coverage for personal injury, death, property damage and contractual liability with limits of not less than the following:

General Aggregate	$4,000,000
Products/ Completed Operations Aggregate	$4,000,000
Personal and Advertising Injury	$2,000,000
Each Occurrence	$2,000,000

This policy shall also include coverage for explosion, collapse, and underground ("XCU") property damage liability. The Public Agencies and

their Agents shall be covered as additional insureds for the named insured's work on such policy.

B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. In all cases, the above insurance shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	$1,000,000
Disease-Policy Limit	$1,000,000
Disease-Each Employee	$1,000,000

C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars ($1,000,000) for each incident. Such insurance shall include coverage of all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto." The Public Agencies and their Agents shall be covered as additional insureds on such policy.

D. PROFESSIONAL LIABILITY INSURANCE, including coverage for personal injury, death, property damage, and contractual liability in an amount not less than One Million Dollars ($1,000,000). Said insurance shall be maintained for the statutory period during which the professional maybe exposed to liability. Developer shall require that the aforementioned professional liability insurance coverage language also be incorporated into its contract with any other entity with which it contracts for professional services in relation to this Agreement, Site, Project or the work or services that are the subject of this Agreement.

E. POLLUTION LIABILITY INSURANCE including coverage for bodily injury, property damages, and environmental damage with limits of not less than the following:

General Aggregate	$ 2,000,000
Completed Operations	$ 2,000,000
Each Occurrence	$ 1,000,000

Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, restoration costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The Public Agencies and their Agents shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

(i) The retroactive date must be shown on the policy and must be before the date of this Agreement or the beginning of the work or services that are the subject of this Agreement;

(ii) Insurance must be maintained and evidence of insurance must be provided for the duration of this Agreement or for five (5) years after completion of the work or services that are the subject of this Agreement, whichever is greater;

(iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, then the Developer must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Agreement;

(iv) A copy of the claims reporting requirements must be submitted to the CDC for review; and

(v) If the work or services that are the subject of this Agreement involve lead based paint or asbestos identification/remediation, then the Contractors Pollution Liability shall not contain any lead-based paint or asbestos exclusions.

F. PROPERTY INSURANCE: "All Risk" ISO Special Form property insurance. Coverage shall include protection for earthquake and flood if this protection is available from responsible carriers at reasonable cost. CDC shall be the loss payee under the aforementioned policy(ies) under a standard lender's loss payable endorsement. The amount of the property coverage shall at all times exceed the full replacement value of all improvements and fixtures on the Site and the insurer shall waive any coinsurance via an “agreement” endorsement.

Developer agrees that it will require that all of the above mentioned insurance requirements be incorporated in its contract with any entity with which it contracts in relation to this Agreement, Site, Project or the work or services that are the subject of this Agreement.

2.1.10 Performance and Payment Bonds. In accordance with this Agreement, any contract entered into for the construction of the Improvements shall require one hundred percent payment and performance bonds, payment of prevailing wages, and compliance with provisions of the California Public Contract Code as applicable. Developer shall comply with all applicable laws concerning the award of the contract(s) for the construction of the Improvements.

2.1.11 Other Agreement or Loans. Developer shall comply with all monetary and nonmonetary covenants associated with any agreement or loan secured by an interest in the Site or the Project and of which Developer has knowledge, including but not limited to the senior financing, the junior financing and the other financing. Developer shall provide to CDC a copy of any notice of default within five (5) business days after receiving any notice of a default or alleged default of such covenants by Developer, and Developer shall promptly cure any such default and cooperate in permitting CDC, to the extent CDC in its sole discretion elects to do so, to cure or assist in curing the default.

2.1.12 Environmental Conditions. Developer shall comply with any CEQA mitigation measures outlined in Exhibit D or other environmental conditions reasonably imposed by CDC or any other applicable governmental authority in connection with the Project.

2.1.13 Taxes, Assessments, Encumbrances, and Liens. Developer shall pay all real estate taxes and assessments assessed and levied on the Site. Prior to the Notice of Completion being recorded, the Developer shall not place or allow to be placed on the Site, and if such has been placed Developer shall immediately cause to be removed at its own expense, any mortgage, trust deed, encumbrance, or lien not authorized by this Agreement. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amounts of any tax, assessment, encumbrance, or lien.

3. USE OF PROPERTY

3.1 Limitations on Program Participants. Notwithstanding anything to the contrary in this Agreement, Developer hereby covenants on behalf of itself, and its successors and assigns, which covenants shall run with the land and bind every successor and assign in interest of Developer in perpetuity as described herein, Developer and such successors and assigns shall use the Site solely for the purpose of operating the Project as a Childcare Center, except as provided in Section 2.1.1, which Childcare Center shall have a minimum of forty (40) to fifty (50) licensed preschool spaces.

3.2 AFFIRMATIVE MARKETING REQUIREMENTS

In accordance with the California Fair Employment and Housing Act, Developer must adhere to the following affirmative marketing guidelines in order to create awareness for the general public and certain community groups as to the availability of resources of this facility.

3.2.1 APPLICABILITY Developer is required to develop and provide to CDC for approval, which approval shall not be unreasonably withheld, conditioned or delayed, an affirmative marketing plan ("Affirmative Marketing Plan").

3.2.2 THE AFFIRMATIVE MARKETING PLAN. The Developer's Affirmative Marketing Plan shall consist of a written marketing strategy designed to provide information and to attract eligible persons in the market area to the available childcare services without regard to race, color, national origin, sex, religion, marital and familial status, disability, medical condition, sexual orientation, or ancestry. It shall describe initial advertising, outreach (community contacts) and other marketing activities, which will inform potential clients of the availability of the services. It shall also outline an outreach program which includes special measures designed to attract those groups identified as least likely to apply, and other efforts designed to attract persons from the total eligible population.

A. Outreach Steps Required:

1. The Affirmative Marketing Plan shall outline:

   a. Commercial Media to be used (i.e., community newspapers and non-English language newspapers, radio, television, billboards, religious or local real estate publications, etc.).

   b. Marketing efforts to be used (i.e., brochures, letters, handouts, direct mail, signs, etc.)

   c. Community contacts to supplement formal communications media for the purpose of soliciting group(s) least likely to apply for the available services. They should be individuals or organizations that have direct and frequent contact with those identified as least likely to apply (i.e., service agencies, community organizations, places of worship, etc.) that have direct and frequent contact with those identified as least likely to apply. The contacts should also be chosen on the basis of their positions of influence within the general community and the particular target group. The Developer must agree to establish and maintain contact with the identified contacts.

   d. Specify means to assure that information regarding the availability of services reaches eligible individuals with

disabilities and will be disseminated to increase effectiveness of outreach and communications (e.g., Telecommunications Devices for the Deaf (TTY), materials on tape or in Braille, accessible locations for activities and meetings, etc.)

e. State that access to all offices for the Project will be accessible to persons with disabilities as required by the Americans with Disabilities Act.

B. WAITING LIST SELECTION The Developer shall also provide for the selection of program participants from a written waiting list in the chronological order of their application, insofar as is practicable, and provide prompt written notification to any rejected applicants and provide the grounds for any rejection.

3.3 Participant Selection Process; Reports and Records Concerning Participants. Developer shall ensure such records and satisfy such reporting requirements as may be reasonably imposed in writing by CDC to monitor compliance with the requirements described in the attachments to this agreement, including without limitation the requirement that Developer deliver reports to CDC commencing at the close of the first full calendar year following the date of the initial operation of the Project, and continuing annually thereafter, setting forth the name of each participant, the income of the participants' household, the number of household members in the participants household, and any other information requested by CDC. Developer shall also be required to obtain evidence from each household as may be reasonably required in writing by CDC to certify such participant's qualification for receiving services of the Project.

3.4 Management of Project. Subject to the Contract Terms and conditions contained herein below, Developer shall at all times following the commencement of Project operations pursuant to this Agreement either utilize its own staff and/or retain an entity to perform the operations or management and/or supervisory functions ("**Manager**") with respect to the operation of the Project including day-to-day administration, maintenance and repair. If an outside entity is utilized for the operation of the childcare center, Developer shall, before execution or any subsequent amendment or replacement thereof, submit and obtain CDC's reasonable written approval, which shall not be unreasonably withheld, conditioned or delayed, of an operations contract ("**Operations Contract**") entered into between Developer and an entity ("**Operations Entity**") reasonably acceptable to CDC. Subject to any regulatory or licensing requirements of any other applicable governmental agency, the Operations Contract may be for a contract term of up to fifteen (15) years and may be renewed for successive contract terms in accordance with its terms, but may not be amended or modified without the written consent of CDC, which consent shall not be unreasonably withheld, conditioned or delayed. The Operations Contract shall also provide

that the Operations Entity shall be subject to termination for failure to meet Project maintenance and operational standards set forth herein or in other agreements between Developer and CDC. Developer shall promptly terminate any Operations Entity which commits or allows such failure, unless the failure is cured within a reasonable period in no event exceeding sixty (60) days from Operation Entity's receipt of notice of the failure from Developer or CDC. Developer's obligation to retain an Operations Entity shall remain in force and effect for the same duration as the use covenants set forth in Section 4.1. The Operations Contract shall also require that the Public Agencies and their Agents be named as an additional insured on Operations Entity's insurance policies.

3.5 Operations and Maintenance. Developer hereby covenants on behalf of itself, and its successors and assigns, which covenant shall run with the land and bind every successor and assign in interest of Developer, that Developer and such successors and assigns shall use the Site solely for the purpose of operating the Project and related ancillary improvements thereon, in accordance with and of the quality prescribed by this Agreement, Maintenance Standards (Exhibit E).

Developer covenants and agrees for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Developer, that during development of the Site pursuant to this Agreement and thereafter, neither the Site nor the Project, nor any portion thereof, shall be improved, used or occupied in violation of any Applicable Governmental Restrictions or the restrictions contained in this Agreement. Furthermore, Developer and its successors and assigns shall not maintain, commit, or permit the maintenance or commission on the Site or in the Project, or any portion thereof, of any nuisance, public or private, as now or hereafter defined by any statutory or decisional law applicable to the Site or the Project, or any portion thereof.

Developer shall, at its sole expense, (i) maintain all improvements and landscaping on the Site in good working order, condition, and repair (and, as to landscaping, in a healthy and thriving condition) in accordance with the Plans for the Project (which must be approved by CDC before being incorporated into the Construction Contract, which approval shall not be unreasonably withheld, conditioned or delayed) (such approved plans, the "Plans") and all Applicable Governmental Restrictions, and (ii) manage the Project and Project finances reasonably prudently and in compliance with Applicable Governmental Restrictions so as to maintain a safe and attractive environment for the Project.

4. OPERATIONAL CONDITIONS.

As a condition of CDC providing funds to Developer pursuant to this Agreement, Developer shall satisfy the following conditions ("Operational Conditions") on or before thirty (30) days after Childcare Center has (i) obtained its licensing from

the Community Care Licensing Division (CCLD) of the State of California and (ii) commenced operation of the Childcare Center. Receipt by CDC of a copy of the certification by Community Care Licensing Division of the State of California evidencing that the project may operate as a fully licensed childcare center;

4.1.1 Receipt by CDC of the Certificate of Occupancy (a Temporary Certificate of Occupancy is not acceptable for this purpose) for the Project and a recorded Notice of Completion;

4.1.2 Receipt by CDC of written correspondence from the Developer and Project Architect that certifies that the Project was constructed according to plans and specifications consistent with Exhibit A of this Agreement or as later amended by the Parties;

4.1.3 Receipt by CDC of a detailed business plan for operating and maintaining the Project, including the provision of childcare services, building/grounds maintenance, program services, and any other services needed or to be provided. Include back up plans if existing childcare services need to be replaced by another service provider.

4.1.4 Receipt by CDC of any and all related copies of contract(s) that will provide for services at the Project, including but not limited to, the provision of childcare services, building maintenance, landscape maintenance, and management of programs and/or services, etc.

4.1.5 Receipt by CDC of a two year pro forma operating statement showing cash flow, including all anticipated income and expenses, itemized in sufficient detail that confirms viability and feasibility of the Project.

4.1.6 Receipt by CDC of funding commitments for operating income which may include grants, contracts for funding, and/or a statement from the Developer certifying anticipated income generated from paying clients (provide underlying assumptions and details).

4.1.7 Receipt by CDC of satisfactory proof of insurance as outlined in Section 2.1.10 of this Agreement.

5. DEVELOPER'S OBLIGATION TO REFRAIN FROM DISCRIMINATION.

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Developer itself or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of program participants, or vendees of the Site or any portion thereof. The

nondiscrimination and nonsegregation covenants set forth herein shall remain in effect in perpetuity.

6. FORM OF NONDISCRIMINATION AND NONSEGREGATION CLAUSES.

Developer shall refrain from restricting the participation of persons in activities at the Site or any portion thereof on the basis of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In leases: "The lessee herein covenants by and for himself or herself, and his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupants, lessees, sublessees, subtenants, or vendees in the land herein leased.

(b) In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the Parties to this contract or any person claiming under or through them, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, occupants, lessees, subtenants, sublessees, or vendees of the premises."

7. INDEPENDENT CONTRACTOR.

In their performance of this Agreement, all Parties hereto will be acting in an independent capacity and not as agents, employees, partners, joint ventures, or associates of one another. The Parties agree that the relationship created by this Agreement is that of an independent contractor. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. Developer shall bear the sole responsibility and liability for furnishing or causing its consultants and subconsultants to furnish workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of Developer pursuant to this Agreement.

8. ASSIGNMENT OF THIS AGREEMENT.

This Agreement shall be assignable by Developer only if Developer obtains the prior express written consent of CDC, which consent may be withheld by CDC in its sole discretion. Notwithstanding anything to the contrary in this Agreement, no purported assignment of this Agreement shall be effective if such assignment would violate the Contract Terms, or conditions and restrictions of any Applicable Governmental Restrictions. CDC's consent to such assignment shall be expressly conditioned upon (i) the assignee's execution of such documents as required by CDC in its sole discretion including, without limitation, any and all documents deemed necessary by CDC to provide for said assignee's assumption of all of the obligations of Developer hereunder and under the Agreement, and (ii) CDC's approval of the financial and credit-worthiness of such proposed assignee and the assignee's ability to perform all of the Developer's obligations under this Agreement.

Any attempt by Developer to assign any performance or benefit under the Contract Terms of this Agreement, without the prior written consent of CDC as provided herein, shall be null and void and shall constitute a material breach of this Agreement. In accordance with the foregoing, in the event of (i) a sale or transfer of Developer's interest in the Site, or (ii) a sale or transfer of more than forty-nine percent (49%) of its present ownership and/or control, in the aggregate, taking all transfers into account on a cumulative basis, or (iii) a sale or transfer of the Project, occurring without the written consent of CDC, CDC may, at its sole option, by written notice to Developer, declare Developer in default under this Agreement.

9. EVENTS OF DEFAULT AND REMEDIES.

9.1 Developer Events of Default. The occurrence of any of the following shall, after the giving of any notice and the expiration of any applicable cure period described therein, constitute an event of default by Developer hereunder ("**Event of Default**"):

9.1.1 The failure of Developer to perform any covenant or obligation hereunder or under the Contract Terms of this Agreement, without curing such failure within thirty (30) days after receipt of written notice of such default from CDC (or from any party authorized by CDC to deliver such notice as identified by CDC in writing to Developer) specifying the nature of the event or deficiency giving rise to the default and the action required to cure such deficiency; provided, however, that if any default with respect to a non-monetary obligation is such that it cannot be cured within a thirty (30) day period, it shall be deemed cured if Developer commences the cure within said thirty (30) day period and diligently prosecutes such cure to completion thereafter with the cure completed in any event within no greater than one hundred eighty (180) days after the notice. Notwithstanding anything herein to the contrary, the herein described cure

periods shall not apply to any Event of Default described in Sections 9.1.2 through 9.1.6 below;

9.1.2 The material falsity of any representation or breach of any warranty made by Developer under the Contract Terms of this Agreement;

9.1.3 Developer or any constituent member or partner, or majority shareholder, of Developer shall (a) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of its property, (b) fail to pay or admit in writing its inability to pay its debts generally as they become due, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent or (e) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition that is not withdrawn within ninety (90) days of the filing thereof or answer seeking an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;

9.1.4 If without the application, approval or consent of Developer, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, with respect to Developer, for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of Developer or of all or any substantial part of Developer's assets, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Developer, in good faith, the same shall (a) result in the entry of an order for relief or any such adjudication or appointment, or (b) continue undismissed, or pending and unstayed, for any period of ninety (90) consecutive days;

9.1.5 Following completion of the construction of the Project, voluntary cessation of the operation of the Project by Developer for a continuous period of more than thirty (30) days or the involuntary cessation of the operation of the Project, except as provided in Section 23 hereof, by Developer for a continuous period of more than sixty (60) days;

9.1.6 Developer shall suffer or attempt to effect an assignment in violation of Section 8 or a transfer as defined in Section 22 below.

9.2 CDC Remedies. Upon the occurrence of an Event of Default hereunder and the expiration of the relevant cure period described in Section 9 hereof, CDC may, in its sole discretion, take any one or more of the following actions:

9.2.1 By notice to Developer, declare the Developer in default of this Agreement;

9.2.2 CDC may take any and all actions and do any and all things which are allowed, permitted or provided by law, in equity or by statute, in the sole discretion of CDC to enforce performance and observance of any obligation, agreement or covenant of the Developer under this Agreement or under any other document executed in connection herewith;

9.2.3 In the event the development of the Project is not completed, or becomes infeasible at any time before, during, or after completion of construction, or if Developer's use of the site for another public purpose is not approved by CDC and/or County, Developer shall promptly return all of the funds provided by CDC pursuant to this Agreement.

9.2.4 Upon the occurrence of an Event of Default which is occasioned by Developer's failure to pay money to others, including but not limited to Development's employees, consultants, contractors, other entities or public agencies required for development or completion of the Project, whether pursuant to this Agreement or separate agreement(s), the CDC may, but shall not be obligated to, make such payment. If such payment is made by CDC, Developer shall deposit with CDC, within 30 days of written demand therefore, such sum plus interest at a rate of 10%. The Event of Default with respect to which any such payment has been made by CDC shall not be deemed cured until such repayment has been made by Developer; and

9.2.5 Upon the occurrence of an Event of Default described in Section 9.1.3 or 9.1.4 hereof, CDC shall be entitled and empowered by intervention in such proceedings or otherwise to file and prove a claim for the return of all of the funds provided by CDC pursuant this Agreement, in the case of commencement of any judicial proceedings, to file such proof of claim and other papers or documents as may be necessary or advisable in the judgment of CDC and its counsel to protect the interests of CDC and to collect and receive any monies or other property in satisfaction of its claim.

9.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to CDC is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute; and may be exercised in such number, at such times and in such order as CDC may determine in its sole discretion. No delay or omission to exercise any right or power upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as

may be deemed expedient by CDC. In order to entitle CDC to exercise any right or remedy reserved to it under this Agreement, no notice shall be required except as expressly provided herein.

Developer shall in no event be entitled to, and hereby waives, any right to seek monetary damages of any kind or nature, including, but not limited to, indirect or consequential damages of any kind or nature from CDC arising out of or in connection with this Agreement, or the Project. In connection with such waiver:

10. RIGHT OF ACCESS AND OBSERVATION.

Upon twenty-four (24) hours written notice, CDC shall have the right, at any time during normal business hours and from time to time, to enter upon the Site for purposes of observation. If CDC in its reasonable discretion determines that the Project is not being operated in conformity with this Agreement, or any Applicable Governmental Restrictions, CDC may at its election, after notice to and consultation with the Developer and affording the Developer thirty (30) days after such notice to cure the matter (provided, however, that if such matter cannot be cured within a thirty (30) day period, it shall be deemed cured if Developer commences the cure within said thirty (30) day period and diligently prosecutes such cure to completion thereafter) and the Developer fails to cure the matter, itself cure the matter. Observation by CDC of the Project or the Site shall not be construed as an acknowledgement, acceptance or representation by CDC or the County that there has been compliance with any Contract Terms or provisions of this Agreement, nor that the services provided by Developer and its employees, agents and consultants are in compliance with any Applicable Governmental Restrictions or other applicable standards.

11. CONFLICT OF INTEREST; NO INDIVIDUAL LIABILITY.

No official or employee of CDC shall have any personal interest, direct or indirect, in this Agreement, nor shall any official or employee of CDC participate in any decision relating to this Agreement which affects such official's or employee's pecuniary interest in any corporation, partnership or association in which such official or employee is directly or indirectly interested. No official or employee of CDC shall be personally liable in the event of a breach of this Agreement by CDC.

12. AMENDMENTS, CHANGES AND MODIFICATIONS.

This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior negotiations, agreements and understandings of the Parties with respect to the subject matter hereof. All exhibits, recitals and schedules referred to in this Agreement are attached and incorporated by this reference. This Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the Parties hereto.

13. EXECUTION OF COUNTERPARTS.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same document.

14. NOTICES.

All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Agreement shall be in writing and shall be given by personal delivery, facsimile, certified mail (return receipt requested), or overnight guaranteed delivery service and addressed or faxed as follows:

If to CDC: Community Development Commission
of the County of Los Angeles
Two Coral Circle
Monterey Park, California 91755-7425
Attn: Executive Director
Fax No. (323) 890-8584

With a copy to: Community Development Commission
of the County of Los Angeles
4800 E. Cesar E. Chavez Avenue
Los Angeles, California 90022
Attn: Director of Construction Management Division
Fax No. (323) 266-5930

If to Developer: Plaza Community Center, Inc.
4018 City Terrace Drive
Los Angeles, CA 90063
Attn: Gabriel Buelna, Executive Director
Fax No. (323) 267-0375

Notices shall be effective upon receipt, if given by personal delivery; upon receipt, if faxed, provided there is written confirmation of receipt (except that if received after 5 p.m., notice shall be deemed received on the next business day); the earlier of (i) three (3) business days after deposit with United States Mail, or (ii) the date of actual receipt as evidenced by the return receipt, if delivered by certified mail; or (iii) one (1) day after deposit with the delivery service, if delivered by overnight guaranteed delivery service. Each party shall promptly notify the other party of any change(s) of address or fax to which notice shall be sent pursuant to this Agreement.

15. SEVERABILITY.

The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

16. INTERPRETATION.

Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the paragraphs of this Agreement are for convenience only and do not define or limit any Contract Terms or provisions. Time is of the essence in the performance of this Agreement by Developer. Each Party has been represented by counsel in the negotiation of this Agreement, and it shall not be interpreted in favor of or against any Party on account of relative responsibilities in drafting.

17. NO WAIVER; CONSENTS.

Any waiver by CDC must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure by CDC to take action on account of any default of Developer. Consent by CDC to any act or omission by Developer will not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for CDC's consent to be obtained in any future or other instance.

18. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of California.

19. REPRESENTATIONS AND WARRANTIES OF DEVELOPER.

Developer hereby represents and covenants to CDC that as of the Effective Date:

A. Organization and Standing. Developer is a legal entity as described in the Transaction Summary above, duly formed, qualified to operate in California and validly existing and in good standing in the State of California, and has all requisite power and authority to enter into and perform its obligations under this Agreement and all other documents executed in connection herewith.

B. Enforceability. This Agreement, and all other instruments to be executed by Developer in connection with the Agreement, constitutes the legal, valid and binding obligation of Developer, without joinder of any other party.

C. Authorization and Consents. The execution, delivery and performance of this Agreement and all other instruments to be executed in connection herewith is consistent with the operating agreement, partnership agreement, or articles and bylaws

governing Developer, and have been duly authorized by all necessary action of Developer's members, partners, directors, officers and shareholders.

D. Due and Valid Execution. This Agreement and all other instruments to be executed in connection herewith, will, as of the date of their execution, have been duly and validly executed by Developer.

E. Licenses. Developer will obtain and maintain all material licenses, permits, consents and approvals required by all applicable governmental authorities to own and operate the Project.

F. Litigation and Compliance. There are no suits, other proceedings or investigations pending or to Developer's actual and constructive knowledge, threatened against, or affecting the business or the properties of Developer (other than those as have been previously disclosed in writing to CDC) which could be reasonably expected to impair its ability to perform its obligations under this Agreement, nor is Developer in violation of any laws or ordinances which could impair Developer's ability to perform its obligations under this Agreement.

G. Default. To Developer's actual and constructive knowledge, there are no facts now in existence which would, with the giving of notice or the lapse of time, or both, constitute an "Event of Default" hereunder, as described in Section 9.

H. No Violations. The execution and delivery of this Agreement, and all other documents executed or given hereunder, and the performances thereunder by Developer, as applicable, will not constitute a breach of or default under any instrument or agreement to which Developer may be a party nor will the same constitute a breach of or violate any law or governmental regulation.

20. APPROVALS.

Any consent to an assignment or a transfer under Section 8 or 22 of this Agreement, and any other consent or approval by CDC under this Agreement, may require action by the governing board of the CDC.

Except with respect to those matters set forth hereinabove providing for CDC's approval, consent or determination to be at CDC's "sole discretion" or "sole and absolute discretion," CDC hereby agrees to act reasonably with regard to any approval, consent, or other determination given by CDC hereunder. CDC agrees to give Developer written notice of its approval or disapproval following submission of items to CDC for approval, including, in the case of any disapproved item, the reasons for such disapproval. Any review or approval of any matter by CDC or any CDC official or employee under this Agreement shall be solely for the benefit of CDC, and neither Developer nor any other person shall rely upon such review or approval as an indication of the wisdom, soundness, safety, appropriateness, or presence or absence of any

matter. Without limiting the generality of the foregoing, Developer and not CDC shall be solely responsible for assuring compliance with laws, and the operation of the Project.

21. GOOD FAITH AND FAIR DEALING.

CDC and Developer agree to perform all of their obligations and the actions required of each hereunder in good faith and in accordance with fair dealing.

22. ASSIGNMENT OF INTEREST IN THE PROJECT.

Without the prior written approval of CDC (or CDC's Executive Director), which approval CDC may withhold in its sole and absolute discretion, Developer shall not (i) sell, encumber, assign or otherwise transfer (collectively, "**Transfer**") all or any portion of its interest in the Project; or (ii) permit the Transfer of greater than forty-nine percent (49%) of its control, in the aggregate, taking all transfers into account on a cumulative basis. Notwithstanding the foregoing, CDC hereby consents to the events described in Section 8.0 hereof without Developer obtaining any further consent from CDC. Developer hereby agrees that any purported Transfer not approved by CDC as required herein shall be ipso facto null and void, and no voluntary or involuntary successor to any interest of Developer under such a proscribed Transfer shall acquire any rights pursuant to this Agreement.

22.1 At any time Developer desires to effect a Transfer hereunder, Developer shall notify CDC in writing (the "**Transfer Notice**") and shall submit to CDC for its prior written approval (i) all proposed agreements and documents (collectively, the "**Transfer Documents**") memorializing, facilitating, evidencing and/or relating to the circumstances surrounding such proposed Transfer, and (ii) a certificate setting forth representations and warranties by Developer and the proposed transferee to CDC sufficient to establish and ensure that all requirements of this Section 22 have been and will be met. No Transfer Documents shall be approved by CDC unless they expressly provide for the assumption by the proposed transferee of all of Developer's obligations under the Agreement. The Transfer Notice shall include a request that CDC consent to the proposed Transfer. CDC agrees to make its decision on Developer's request for consent to such Transfer promptly, and use reasonable efforts to respond not later than thirty (30) days after CDC receives the last of the items required by this Section 22. In the event CDC consents to a proposed Transfer, then such Transfer shall not be effective unless and until CDC receives copies of all executed and binding Transfer Documents which Transfer Documents shall conform with the proposed Transfer Documents originally submitted by Developer to CDC. From and after

the effective date of any such Transfer, Developer shall be released from its obligations under the Agreement accruing subsequent such effective date.

22.2 Notwithstanding anything in this Agreement to the contrary, Developer agrees that it shall not be permitted to make any Transfer, whether or not CDC's consent is required thereof and even if CDC has consented thereto, if there exists an Event of Default under this Agreement at the time the Transfer Notice is tendered to CDC or at any time thereafter until such Event of Default has been cured.

The provisions of this Section 22 shall apply to each successive Transfer and proposed transferee in the same manner as initially applicable to Developer under the Contract Terms set forth herein.

23. UNAVOIDABLE DELAY; EXTENSION OF TIME OF PERFORMANCE. Subject to specific provisions of this Agreement, performance by either Party under this Agreement shall not be deemed, or considered to be in default (and an Event of Default shall not be deemed to have occurred), where any such default (or Event of Default) is due to an Unavoidable Delay. As used herein, "Unavoidable Delay" means and refers to a delay in performing any obligation under this Agreement arising from or on account of any cause whatsoever beyond the Party's reasonable control, despite such Party's reasonable diligent efforts, including, but not limited to, industry-wide strikes, labor troubles or other union activities, casualty, war, acts of terrorism or riots. Any Party claiming Unavoidable Delay shall notify the other Party within a reasonable time after such Party knows of any such Unavoidable Delay; and (b) within five (5) days after such Unavoidable Delay ceases to exist. The extension of time for an Unavoidable Delay shall commence on the date of receipt of written notice of the occurrence of the Unavoidable Delay by the Party not requesting an extension of time to perform due to such Unavoidable Delay and shall continue until the end of the condition causing the Unavoidable Delay. The Party seeking to be excused from performance shall exercise its commercially reasonable efforts to cure the condition causing the Unavoidable Delay, within a reasonable time.

24. DEVELOPER'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Developer acknowledges that Los Angeles (County) has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Developer qualifies for an exemption or exclusion, Developer warrants and certifies that to the best of its knowledge, it is now in compliance, and during the term of this Contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

25. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Developer to maintain compliance with the requirements set forth in paragraph 26 "CONSULTANT'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM" shall constitute a default under this Contract. Without limiting the rights and remedies available to Commission or County under any other provision of this Contract, failure of Developer to cure such default within 10 days of notice shall be grounds upon which Commission/County may terminate this Contract and/or pursue debarment of Developer pursuant to County Code Chapter 2.206.

26. DEVELOPER'S WARRANTY OF ADHERENCE TO COMMISSION'S CHILD SUPPORT COMPLIANCE PROGRAM

The Developer acknowledges that the Commission has established a goal of ensuring that all individuals who benefit financially from the Commission through a contract, are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by Commission Child Support Compliance Program and without limiting Developer's duty under this Contract to comply with all applicable provisions of law, Developer warrants that it is now in compliance and shall, during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

27. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH COMMISSION'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Developer to maintain compliance with the requirements set forth in Paragraph 19, "*CONSULTANT'S WARRANTY OF ADHERENCE TO Commission's CHILD SUPPORT COMPLIANCE PROGRAM*" shall constitute default under this Contract. Without limiting the rights and remedies available to Commission under any other provision of this Contract, failure of Developer to cure such default within ninety (90) calendar days of written notice shall be grounds upon which Commission may terminate this contract pursuant to Paragraph 9.3 - "TERMINATION FOR CAUSE" and pursue debarment of Developer, pursuant to Commission Policy.

28. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONSULTANTS AND SUBCONSULTANTS)

The Developer shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Developer will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Developer's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Developer will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Developer will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Developer's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Developer may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Developer will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor

issued pursuant to Section 204 of the Executive Order No. 11246 of September 241965, that such provisions will be binding upon each subcontractor or vendor. The Developer will take such actions with respect to any subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Developer becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Commission, the Developer may request the United States to enter into such litigation to protect the interests of the United States.

29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED (IF APPLICABLE)

The work to be performed under this Contract may be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

The Consultant agrees to send to each labor organization or representative of workers with which the Consultant has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Consultant's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The Consultant agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Consultant will not subcontract with any subcontractor where the Consultant has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

The Consultant will certify that any vacant employment positions, including training positions, that are filled (1) after the Consultant is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Consultant's obligations under 24 CFR Part 135.

Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

30. FEDERAL LOBBYIST REQUIREMENTS

The Developer is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

The Developer must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Developer will comply with the Lobbyist Requirements.

Failure on the part of the Developer or persons/subcontractors acting on behalf of the Developer to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

31. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Developer shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the

federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

32. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Developer agrees to use recycled-content paper to the maximum extent possible on the Project.

33. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Developer shall notify and provide to its employees, and shall require each subconsultant to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in *Exhibit I – Required Contract Notices* of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

34. DEVELOPER'S ACKNOWLEDGMENT OF COMMISSION'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Developer acknowledges that the Commission places a high priority on the implementation of the Safely Surrendered Baby Law. The Developer understands that it is the Commission's policy to encourage all Commission Developers to voluntarily post the Commission's "Safely Surrendered Baby Law" poster in a prominent position at the Developer's place of business. The Developer will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Developer with the poster to be used

35. DEVELOPER'S CHARITABLE CONTRIBUTIONS COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Consultants to complete the Charitable Contributions Certification as included in *Exhibit H– Required Contract Forms*, the Commission seeks to ensure that all Commission Consultants that receive or raise charitable contributions comply with California law in order to protect the Commission and its taxpayers. A Consultant that

receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

(SIGNATURES ON NEXT PAGE)

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES

By:_____
Sean Rogan , Executive Director

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By:_____
Talin Halabi, Deputy

DEVELOPER:
Plaza Community Center, Inc. dba Plaza Community Services

By:_____
Name: Gabrial Buelna
Title: Executive Officer

EXHIBIT A
SCOPE OF WORK

Developer shall renovate an existing building, owned by Plaza Community Center, Inc. into a Childcare Center that shall provide a minimum of 40-50 licensed childcare spaces. The Childcare Center shall provide the area required by the State of California to allow for licensing for the operation of the childcare programs. The project includes the interior remodel of the 3,150 SF building. Work will consist of interior modifications to provide two classrooms for 20 children each, a reception area and administrative office. New electrical, plumbing and mechanical will be provided as needed to meet code. A portion of the roof will be modified to provide additional natural light for the classrooms. All new and existing areas will be made ADA compliant. Per licensing requirements, a new play ground will be added and additional parking for staff and visitors. Per Public Works requirements, ADA ramps at the street corners will be upgraded and Low Impact Development measurements will be met.

Developer shall retain an architect to develop site plans and submit to CDC for design review. Developer shall instruct architect to incorporate Crime Prevention Through Environmental Design (CPTED) principles to the design of the Childcare Center.

Developer shall be responsible for the construction of the facility, including securing all financing and entitlements and approvals. Developer shall also ensure that all environmental mitigation measures included in Exhibit D are incorporated into the design and construction of the Childcare Center.

Developer shall be responsible for operating the Childcare Center.

Developer shall be responsible for complying with all reporting requirements herein.

EXHIBIT B
PROJECT BUDGET

PRINCETON INDIANA CHILDCARE CENTER

SOURCES/USES

PRINCETON/INDIANA - TOTAL DEVELOPMENT COST		
DEVELOPMENT BUDGET	**CDBG FUNDS**	**LA COUNTY CAPITAL FUNDS**
Total	***$1,471,215***	***$649,958***

EXHIBIT C – PROJECT SITE

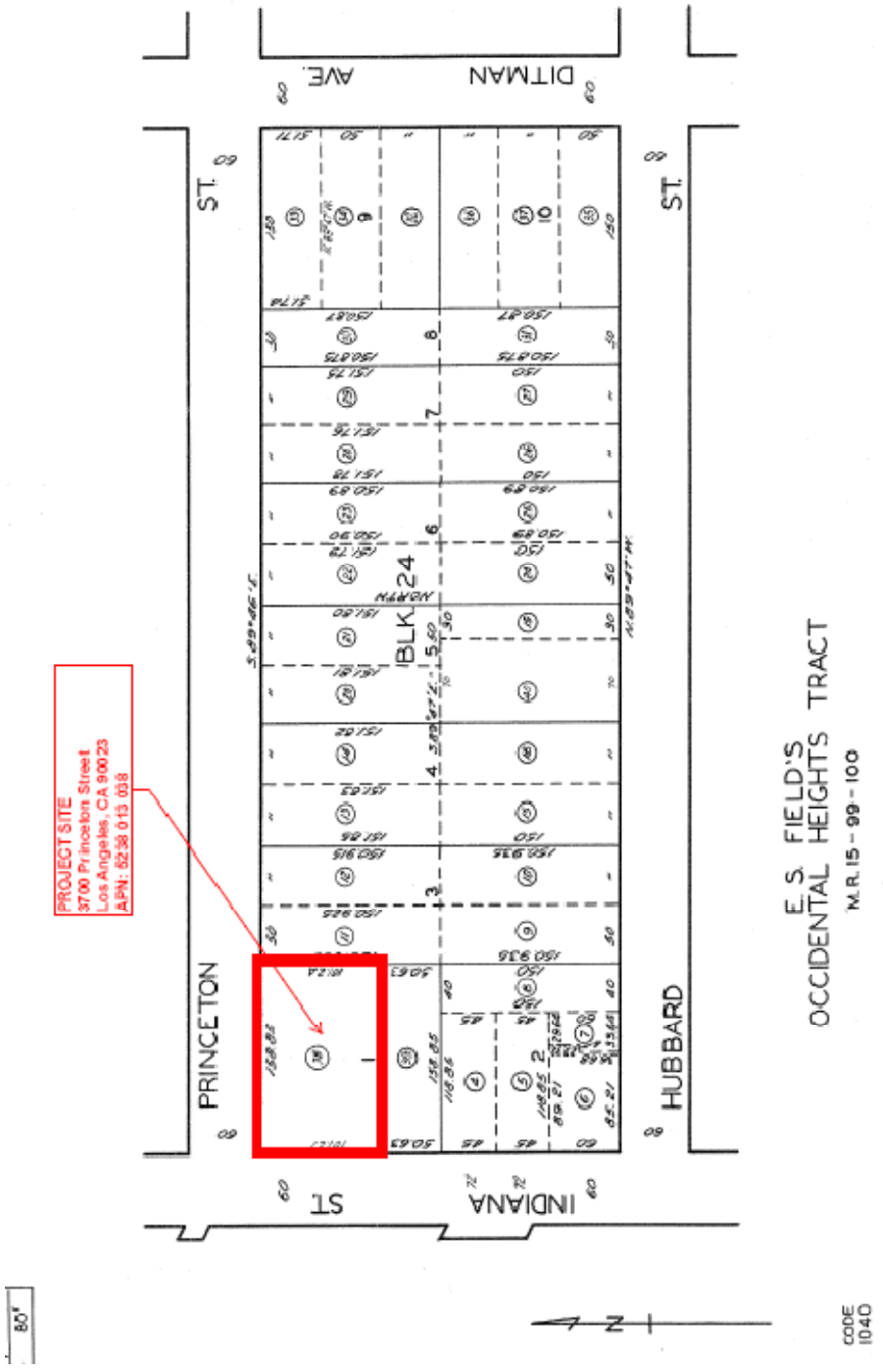

Exhibit D
ENVIRONMENTAL MITIGATION MEASURES

Title: Plaza Community Center, Inc., Princeton Indiana Childcare Center

Project No. 601112

The following special conditions/environmental mitigation measures must be included in the project contract and later implemented as part of the project scope to alleviate adverse environmental impacts. The environmental clearance is conditioned upon the implementation of all special conditions/mitigation measures:

Based upon the pre-1979 age of the building, it is likely that some of the building materials contain asbestos and/or lead-based paint. If materials suspected of containing asbestos and/or lead-based paint will be disturbed, surveys shall be undertaken to determine the presence of asbestos-containing materials (ACM) and lead-based paint (LBP) prior to renovation of the building. If ACM and LBP are identified during the surveys, removal, disposal, and /or handling of the materials shall be conducted in accordance with applicable regulations.

EXHIBIT E

MAINTENANCE STANDARDS
Community Development Commission of the County of Los Angeles
ORDINARY MAINTENANCE AND REPAIRS

Ordinary maintenance is the routine work of keeping the buildings, grounds, and equipment in such condition that they may be utilized continually at their original or designed capacities and efficiencies for their intended purposes. Minor repair is the restoration of the facility to a condition substantially equivalent to its original capacity. Minor replacement is the substitution of component parts of equipment to extend its useful life.

In order to assure that the Childcare Center on the Site is kept in a decent, safe, and sanitary condition, the buildings, grounds, and equipment are to be maintained in a manner that will preserve their condition. "Grounds" includes lawns, roads, walks and other paved areas, trees and plants, fences, play areas, drainage facilities, etc. "Buildings" includes roofs, attic spaces, gutters and downspouts, walls, porches, foundations, crawl spaces, windows, floors, doors, etc. "Equipment" covers all items such as utility lines and piping, heating and plumbing equipment, pumps and tanks, ranges and refrigerators, tools, etc.

Set forth below are the standards for the degree of maintenance, repair and cleaning necessary to qualify as "safe, decent and sanitary." The Standards describe the minimum level of cosmetic repair and degree of cleanliness necessary to effectively market the dwelling units and to satisfy the needs of prospective residents. In brief, rental units are to be free of all defects (as described herein) and have an appealing and desirable appearance.

EXTERIOR PROPERTY AREAS

A. Sanitation. Yards shall be clean and sanitary. All rubbish, garbage, trash, litter, debris, and abandoned personal property are to be removed from the grass, walks, steps, parking areas, and other grounds, as well as the roofs, gutters and window wells.

B. Lawn Maintenance. Grounds shall be examined for proper drainage and, if necessary, graded to prevent the accumulation of stagnant water and to prevent water from seeping into building structures. All soil areas shall be sodded or seeded, as necessary, to prevent erosion, except garden areas at scattered sites. Weeds, saplings and uncut grass along the foundations of the house and garage, the fences, the walks, the parking areas, the sidewalk expansion joints and the window wells are to be removed. All grounds are to be free of noxious weeds. Bushes, hedges and trees are to be trimmed, if necessary. Grass shall be cut as often as necessary so

that it does not exceed five (5) inches in height. The yard will be raked, as necessary.

C. Walks and Steps. All front walks, sidewalks, rear walks, steps, driveways and parking pads shall be maintained in such a manner that there are no cracks or heaves large enough to create a safety hazard. Remove chipped and loose pieces of concrete and asphalt, as needed. Remove all graffiti.

EXTERIOR STRUCTURES -- DWELLING AND GARAGE

D. Foundation, Walls, and Roof. All exterior surfaces shall be maintained in good repair. They shall be free of holes, significant cracks, breaks and loose materials to provide a sufficient covering for the underlying structural surface and prevent any moisture from entering the dwelling. If the protective surface is paint, and if more than 25% of the area is blistered, cracked, flaked, scaled, or chalked away, it shall be repainted, weather permitting. All dirt, unsightly stains and graffiti are to be removed. Prime doors shall open and close smoothly. Each prime door shall have a properly working dead bolt lock with a newly changed cylinder.

E. Screens (if applicable). Every window shall have a screen which fits tightly and securely to the frame. Each screen shall be free of holes large enough for insects to penetrate or tears longer than 1".

F. Gutters and Downspouts. If the structure has gutters and downspouts, they are to be secured to the structure and free of leaves and other debris.

G. Garage and/or Outside Parking Area. Overhead and service doors are to open and close smoothly and lock. Remove all loose contents from the interior. Wipe up surface oil drippings and spills. Broom sweep the floor or outside parking area.

H. Faucets. Faucets and handles shall work properly.

I. Miscellaneous. Mailboxes, guardrails, railings, exterior lights, fences and clothes line poles shall be properly anchored. Doorbells shall operate properly.

J. Wall Graffiti. Wall graffiti and other unsightly markings on exterior walls are to be removed daily. If the graffiti is offensive in nature (profanity, gang slogans, etc.) it will be removed immediately.

Those deficiencies that are discovered during the winter that require warm weather to properly correct are to be noted for summer repair.

INTERIOR PROPERTY AREAS

K. Walls and Ceilings. All holes over one inch in diameter are to be filled. All cracks are to be filled or taped and plastered. All holes of one inch in diameter or less are to be filled if they are present in sufficient number to give the surface an undesirable appearance. All patches are to be sanded smooth. All wet plaster shall be neatly primed. In cases of extensive repair, the entire wall shall be primed.

L. Doors, Hardware, Room Trim, and Handrails. All surfaces shall be clean and free of splashed or spilled paint. Doors shall open, close and latch smoothly and properly. Door stops shall be installed for each door and be clean and intact. Handrails shall be secure.

M. Floors, Stairs, Baseboards, and Corners. Remove all rubbish, garbage, trash, litter, debris and abandoned personal property. All surfaces shall be swept or vacuumed. Carpet, if installed, shall be vacuumed, and, if it smells badly, has paint spills, or is dirty or stained, shall be shampooed.

N. Window Areas. Tracks shall be free from dust, dirt and debris and lubricated so that windows slide smoothly and close tightly. Frames and sills shall be free of dust, dirt and mod. Curtain rods are to be securely installed over each window opening unless drapery rods are already in place. New, or “like new”, window shades are to be installed over each bedroom window and non-opaque bathroom window. Dispose of and replace drapes and curtains in poor condition or that are dirty. Window panes shall be intact, i.e., without holes, chips, missing pieces or cracks, except for short corner cracks. Reputty the windows, if necessary. Window locks and other hardware shall function properly.

O. Electrical Fixtures, Outlets, Switch Plates, and Outlet Plates. Each light fixture socket shall have a working light bulb. Each light fixture in the living areas shall have a clean globe, lens or shade. Test each switch, socket, and outlet and repair, if necessary. Light switch cover plates and electrical outlet cover plates shall be clean, i.e., free of dirt, grease, grime and paint, and shall be in good condition and intact, i.e., free of chips and cracks.

P. Plumbing Fixtures.

i. Faucets shall have adequate water flow. Handles shall turn “on” and “off” easily and smoothly. Faucets shall not leak when “on” or “off.” Each faucet shall have a properly installed and functioning aerator, if so designed.

ii. Drains shall be tested by a 30-second luke warm water run to assure no leakage. Water shall empty from the sinks and tubs quickly. The drain pipe shall look and feel dry. Each drain shall have a stopper or a basket.

iii. Sinks and tubs shall be free of surface cracks or chips over one inch in length.

iv. Toilets shall operate properly. Toilet seats and covers shall be in "like new" condition with no surface finish loss whatsoever.

v. Other plumbing and related fixtures, such as kitchen sprayers, shower doors, and water main shutoffs shall work properly.

Q. Cabinets, if applicable. Kitchen, medicine and other storage cabinets doors and drawers shall open and close freely. The attendant hardware shall be clean, secure, and operate properly.

R. Stoves. All parts shall work properly. The exhaust fan filter shall be changed or washed, if applicable. Each oven shall have an appliance bulb, broiler drip pan and cover and two oven racks.

S. Heat Vents, Grilles, and Cold Air Return Grates. There shall be no broken or bent grille work. Grilles and grates shall be kept free of dirt, dust, grime and debris.

T. Thermostat and Smoke Detector. The thermostat and smoke detector shall be clean, intact, free of paint and tested to operate properly.

U. Basement, if applicable. The ceiling, window openings, walls, pipes, ductwork, furnace and water heater are to be free of dirt, grease, spider webs and cobwebs. The floor shall be broom swept clean of loose dirt and litter. Windows and laundry tubs shall be washed if dirty. Laundry plumbing shall operate properly. Any basement bathroom interior and fixtures shall be kept clean. The furnace and water heater shall be tested to work properly, and furnace filter replaced as needed. Cap and close valve on unused gas lines. Seal dryer vent.

V. Attic. Accessible attics shall be free of litter.

W. Common Areas. The common areas and the entrances shall be inspected, repaired, and cleaned as necessary.

X. Pest Control. The Site shall be free of all insect vermin. Remove all insect vermin. Inspect for other vermin and exterminate, if necessary.

Community Development Commission of the County of Los Angeles
PREVENTATIVE MAINTENANCE STANDARDS

Preventive maintenance based on regular methodical inspections is the action taken to avoid or minimize the need for more costly measures at some future time. It is performed prior to actual breakdown thereby preventing costly replacements and, in the case of operating equipment, lengthy shutdown. Effective preventive maintenance reduces long-range operating costs and lessens the necessity for major restorations and improvements. Preventive maintenance shall include, but is not limited to, the following, and shall include all other items affecting the health and safety of the occupants (pursuant to California Health & Safety Code 17910 *et seq.*):

Scheduled checking, adjusting, cleaning, and lubricating heating equipment.

Periodic inspection of ranges, hot water heaters, and space heaters for mechanical performance and for needed replacement of worn or broken parts.

Inspecting, servicing, and replacing worn parts in electro-mechanical equipment.

Checking and repairing plumbing fixtures, toilet tanks, drains, condition of porcelain, etc.

Termite and vermin inspection and elimination, by a licensed firm.

Periodic interior and exterior painting.

Inspecting and patching roofs, gutters, downspouts, and flashing.

Inspecting underground facilities for corrosion and control thereof, if applicable.

Inspecting for condensation, dampness, and fungus in wood and for rust in iron components and taking appropriate corrective measures.

Patching paved surfaces and sealcoating, as needed.

Correcting erosion and drainage deficiencies.

Fertilizing and cultivating planted areas.

Installing protective barriers, where needed, for planted areas and trees.

Checking fire safety equipment for operable use.

Caulking around tiles, countertops, windows, and doors to avoid water damage.

Administration and implementation of the preventative maintenance program shall be performed on the following schedule or a schedule approved by the Commission prior to implementation:

1.	Annual Inspections and Corrections	1 year
2.	Heating Furnace Services:	
	Minor Inspections and Services	3 months
	Major Inspections and Services	2 years
3.	Fire Extinguisher and Alarm Inspections and Services	1 month
4.	Range Hood and Motor Inspections and Services	1 year
5.	Project Site Inspections and Corrections	1 year
6.	Roofing Inspections and Corrections	1 year
7.	Project Fencing Inspection	1 year
8.	Security Lighting Inspections and Services	1 year
9.	Trees and Shrubbery Inspections and Corrections	1 year
10.	Water Heater Inspections and Services	1 year
11.	Sewer Lift Station Inspections and Services	6 months
12.	Septic Tank Inspections and Services, if applicable	1 year
13.	Street Pavement Inspections and Corrections	1 year
14.	Weather Stripping and Caulking	1 year
15.	Interior Painting of Units	5 years
16.	Exterior Painting of Units:	
	Wood siding and trim	3 years
	Brick walls, stucco walls and steel sash	5 years

EXHIBIT F

PREVAILING WAGE REQUIREMENTS

A. This project is funded with both **FEDERAL** and **STATE** Funds. The Developer/Contractor, therefore, shall comply with all applicable federal regulations and state laws. Whenever a discrepancy between federal regulations and state law is found to exist, the more stringent of the two shall prevail.

B. The Developer/Contractor is subject to the Federal Labor Standards Provision (HUD 4010) (attached) including prevailing wage requirements of the Davis-Bacon and Related Act (DBRA).

C. The Developer/Contractor is also subject to the State Labor Law requirements applicable to this agreement, but not limited to, California Labor Code Section 1770 et seq., which requires contractors to pay their workers based on the prevailing wage rate which are established and issued by the Department of Industrial Relations, Division of Labor Statistics.

D. There will be 2 APPLICABLE wage determinations for this project:
(1)Federal Wage Decision CA100033 Modification: XX Dated: XX/XX/XXXX [To be Determined]

(2)State Wage Determination LOS2011-1 + future changes (commercial state rates at time of bid) website www.dir.ca.gov.

The higher of the federal and state wages must be paid to ALL employee working at the project site.

E. The Developer/Contractor shall indemnify, defend and hold the COUNTY and CDC harmless of any suit, cost, attorney's fees, claim administrative proceeding, damage, wage award, fine, penalty or liability arising out of or relating to the payment or non-payment of prevailing wages in connection with the Project.

F. The Developer/Contractor will work cooperatively with CDC's Labor Compliance Unit to ensure the proper implementation of all labor requirements and resolution of any labor issues.

The Developer is required to comply with, and include the following requirements in its contractual agreement with the awarded Prime Contractor, and the Prime Contractor is required to include the following information in each Subcontract:

Federal Labor Standards and Provisions - Davis - Bacon and Related Acts. The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provision of 29 CFR-5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set for the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321)) shall be posted at all times by the contractor an its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in

conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

The work to be performed by the classification requested is not performed by a classification in the wage determination; and
The classification is utilized in the area by the construction industry; and
The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140).

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140).

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a

class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140).

A.2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract . In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1973 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

A.3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of

each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 12-0017).

(ii)(a) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for

purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

1. That the payroll for the payroll period contains the information required to be maintained under 29 CFR Part 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;
2. That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 23 CFR Part 3;
3. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor or subcontractor shall make the records required under paragraph A.3(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

A.4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less that the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program

shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to, and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage

rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

A.5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

A.6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

A.7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

A.8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3 and 5 are herein incorporated by reference in this contract.

A.9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the

meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

A.10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18. U.S.C., "Federal Housing Administration transactions," provides in part: "Whoever, for the purpose of…influencing in any way the action of such Administration….makes, utters or publishes any statement knowing the same to be false…shall be fined not more than $5,000 or imprisoned not more than two years, or both."

A.11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds $100.000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

B.1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or

mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

B.2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (B1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in a violation of the clause set forth in subparagraph (B1) of this paragraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (B1) of this paragraph.

B.3. Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (B2) of this paragraph.

B.4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (B1) through (B4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (B1) through (B4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds $100,000.

C.1. No laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

C.2. The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54,83 Stat 96). 40 USC 3701 et seq.

C.3. The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

State Prevailing Wage Requirements

The Contractor and all Subcontractor(s) shall be responsible for complying with all labor requirements of the State of California prevailing wage laws, regulations, codes, etc. which are applicable to this contract. They include, but are not limited to, the following: California Labor Code Section 1770 et seq., which requires contractors to pay their workers based on the prevailing wage rates established and issued by the Department of Industrial Relations (DIR), Division of Labor Statistics, these rates can be obtained on the website at www.dir.ca.gov. or by contacting the Community Development Commission, Labor Compliance Unit for the prevailing wage rates on file.

The Contractor and Subcontractor shall also: (1) Pay not less than the prevailing wage to all workers, as defined in the California Code of Regulations (CCR) section 16000(a), and as set forth in Labor Code Sections 1771 and 1774; (2) Comply with the provisions of Labor Code Sections 1773.5, 1775, and 1777.5 regarding public works job sites; (3) Provide workers' compensation coverage as set forth in Labor Code Section 1861; (4) Comply with Labor Code Sections 1778 and 1779 regarding receiving a portion of wages or acceptance fee; (5) Maintain and make available for inspection payroll records, as set forth in Labor Code Section 1776; (6) Pay workers overtime pay, as set forth in Labor Code Section 1815 or as provided in the collective bargaining agreement adopted by the DIR Director as set forth in CCR's section 16200; (7) Comply with Section 16101 of these regulations regarding discrimination; (8) Be subject to provisions of Labor Code Section 1777.7 which specifies the penalties imposed on a contractor who willfully fails to comply with provisions of Section 1777.5; (9) Comply with those requirements as specified in Labor Code Sections 1810 and 1813; and (10) Comply with any other requirements imposed by the State of California.

10% Labor Compliance HOLD from the Progress Payment

The Contractor and each Subcontractor shall submit all required Labor Compliance forms to the Community Development Commission before the start of construction. The Contractor shall submit to the Community Development Commission all of its payrolls for each pay period within 7 days after the pay period has ended. The Contractor shall also collect, review and submit to the Community Development Commission all of its subcontractors' payrolls for each pay period within 7 days after the pay period has ended. Contractor's failure to submit its payrolls or any subcontractor payrolls within 7 days after the pay period has ended, is in violation of this contract and entitles the Community Development Commission to withhold up to ten percent (10%) from any pending construction progress payments until all such payrolls are received. Repeated, ongoing or flagrant failures by the contractor to submit the required forms, its payrolls or the payrolls of its subcontractors in a timely manner and in accordance with this provision constitutes a material breach of this contract which may result in the Community Development Commission terminating the contract for default.

Section 3 of the Housing and Community Development Act of 1968, as Amended

Requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

A. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3

clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (i) after the Contractor is selected but before the Contract is executed, and (ii) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.

F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

EXHIBIT G

COMMUNITY DEVELOPMENT BLOCK GRANT REPORTING REQUIREMENTS

The development of the Plaza Community Center, Inc. Princeton Indiana Childcare Center is being funded with Community Development Block Grant (CDBG) federal funds. Therefore, CDC and Developer shall comply with the following CDBG Program requirements:

Once the construction of the Project has been completed and the facility is made available to the public for use, CDC shall assist the Developer in completing the Quarterly Performance Report that is mandated by the U. S. Department of Housing and Urban Development (HUD) by compiling and providing Direct Benefits Information. The Developer shall report this Direct Benefits Information to the CDC only during the program year that the construction of the facility was completed and made available to the public. CDC will not close out the Project until it has verified that the HUD national objective has been met in accordance with HUD regulations and the Developer's policy as set forth in CDBG Bulletin No. 05-0044, dated November 21, 2005.

The CDC and Developer shall comply with HUD regulations, 24 CFR 570.502(b)(3)(ix)(A)(B), "Retention and access requirements for records." The Developer, or the selected designated operator, shall collect and maintain the following records for five (5) years following the closeout of the CDBG-funded contract, and shall enable CDC to conduct an onsite review of these records to verify compliance with the HUD national objective:

- Income documentation, as explained in CDBG Bulletin No. 07-0002, dated January 3, 2007, for beneficiaries of the facility, evidencing that at least fifty one percent (51%) of the clientele are persons whose family income does not exceed the low- to moderate-income limits.

In accordance with CDBG Bulletin No. 06-0016, dated June 16, 2006, if the Developer is unable to obtain complete income documentation from the facility's beneficiaries the Developer must receive authorization from CDC, CDBG Division, to use the "Public Service Self-Certification Form" (the "Form") to collect family income information. The Developer must ensure that the Form contains the current income guidelines, and that the completed Forms are maintained to in a manner to facilitate the Landlord's monitoring review. The Forms must be fully completed, signed, and dated by the beneficiaries, as well as approved by a Developer's authorized staff member. If the scope of facility's activity changes, the Developer shall submit a new request to CDC for authorization to use the "Public Service Self-Certification Form." For Federal reporting and monitoring purposes, the Developer shall collect and maintain the following information for each beneficiary of the facility:

- The name, address, ethnicity, race and single head of household status.

- Household income
- The census tract number of the place of residence.

CDC and Developer shall comply with HUD regulations, 24 CFR 570.505, “Use of Real Property.” The Participant shall maintain the use of the facility for five (5) years. If there is a lapse in service (either voluntary or involuntary) during this period of longer than 90 continuous days, such lapse shall be reported in writing to CDC, CDBG Division, along with justification for the lapse, plans for resolving lapses in services and planned dates for resuming service. In the event the operation of a Childcare Center becomes infeasible, the Site may be used for another public purpose eligible under the CDBG Program regulations, and as approved by CDC and in consultation with the County of Los Angeles. If a CDBG eligible purpose is not feasible within the first five years from the time the Childcare Center was made available to the public for use, Plaza Community Center, Inc. must reimburse the funds, less any portion attributable to expenditures on non-CDBG funds for improvements to the property.

EXHIBIT H

REQUIRED FORMS

EXHIBIT I

REQUIRED NOTICES